

## Message Text

CONFIDENTIAL

PAGE 01 STATE 215375  
ORIGIN PM-05

INFO OCT-01 NEA-10 ISO-00 CIAE-00 INR-10 NSAE-00 L-03  
EB-08 SS-15 AID-05 OMB-01 NSC-05 H-01 /064 R

DRAFTED BY PM/SAS:COL.GREISLING:COCECIL:RG  
APPROVED BY PM/SAS:HMCELROY  
DOD/DSAA:JHARTSOCK  
NEA:MDRAPER

-----097510 241752Z /50

P R 241709Z AUG 78  
FM SECSTATE WASHDC  
TO AMEMBASSY RABAT PRIORITY  
INFO SECDEF WASHDC 1076  
TREASURY DEPARTMENT WASHDC 0720

C O N F I D E N T I A L STATE 215375

E.O. 11652: GDS

TAGS: MASS, MO

SUBJECT: DEFAULT ON FMS LOANS

REF: (A) STATE 172198 (B) STATE 188567 (C) STATE 179591

FOR THE CHARGE

1. REFTEL A ADVISED THAT THE GOVERNMENT OF MOROCCO (GOM)  
HAS DEFAULTED ON PAYMENTS DUE THE FEDERAL FINANCING BANK  
(FFB) ON 30 JUNE 1978 UNDER LOAN AGREEMENTS NO. 751 AND  
761 DATED 27 JUNE 1975 AND 16 JUNE 1976 RESPECTIVELY.  
ACCORDINGLY, DOD/DSAA AS GUARANTOR MADE PAYMENT TO THE FFB  
ON 20 JULY 1978 OF THE OVERDUE AMOUNTS AS FOLLOWS:

LOAN NO.	PRINCIPAL	INTEREST	TOTAL
----------	-----------	----------	-------

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 215375

751	\$ 933,500.00	\$375,983.11	\$1,309,483.11
761	1,777,000.00	939,420.60	2,716,420.60

2. REFTEL B MSG ADVISED THAT GOM IS ALSO IN ARREARS ON  
PRINCIPAL AND INTEREST PAYMENTS DUE DOD/DSAA UNDER LOAN  
AGREEMENTS NOS. 691, 692, 711, 721, 722, 731 AND 741.

3. WE WILL BE UNABLE TO AUTHORIZE ANY ADDITIONAL DISBURSEMENTS FROM THESE LOANSOR PRESENT NEW FMS CASES FOR SIGNATURE UNTIL ALL ARREARAGES HAVE BEEN PAID. FURTHERMORE, AS NOTED SEPTEL, WE ARE UNABLE TO CONCLUDE THE FY 1978 FMS LOAN AGREEMENT UNTIL THE ARREARAGES HAVE BEEN ELIMINATED. (FYI, IN ADDITION, DOD WISHES TO SUSPEND FUTURE SHIPMENTS OF MATERIEL PURCHASED UNDER EXISTING FMS CASES IF ARREARAGE PROBLEM IS NOT RESOLVED IN SHORT ORDER.) WE KNOW THAT THIS PROBLEM HAS BEEN PREVIOUSLY RAISED BY THE EMBASSY AT A HIGH LEVEL. IT IS, HOWEVER, OF GROWING URGENCY. IF YOU BELIEVE IT WOULD BE USEFUL TO REMIND SENIOR GOM OFFICIALS OF THE IMPENDING SERIOUS CONSEQUENCES WHICH WILL FOLLOW CONTINUED FAILURE TO REMEDY ARREARAGE PROBLEM, YOU SHOULD DO SO. CHRISTOPHER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY SALES, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE215375  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** COL.GREISLING:COCECIL:RG  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780347-0017  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780827/aaaaawjk.tel  
**Line Count:** 76  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 0754105c-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN PM  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 172198, 78 STATE 188567, 78 STATE 179591  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 02 jun 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1631295  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DEFAULT ON FMS LOANS  
**TAGS:** MASS, MO  
**To:** RABAT  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/0754105c-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014